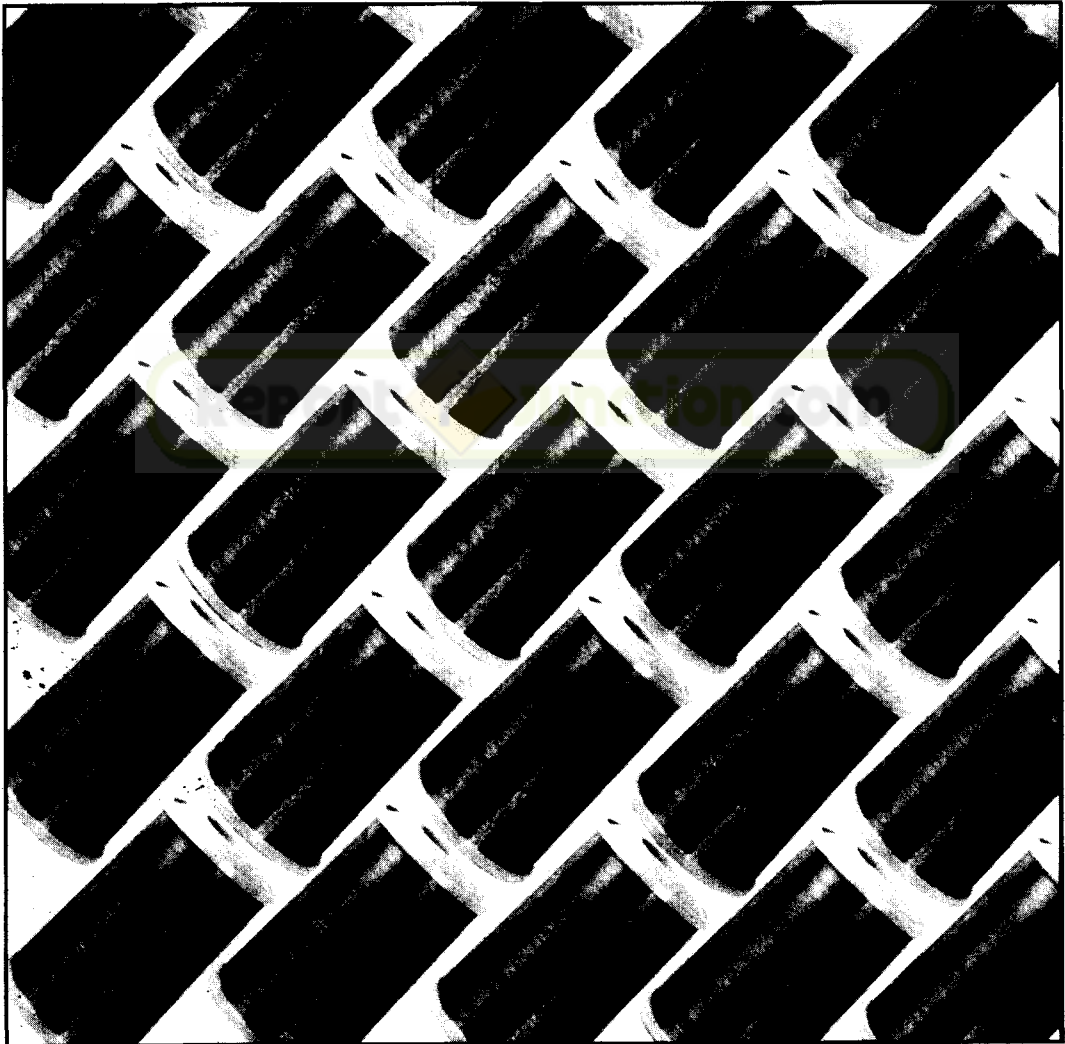


14th
Annual Report
2002-2003



PRECISION WIRES INDIA LIMITED

Rupees in Lacs

Financial Highlights

	2002/03	2001/02	@ 2000/01	1999/00	1998/99
Equity Share Capital (Paid up)	1046.36	1046.36	1046.36	485.22	485.22
Reserves & Surplus	5416.43	4651.37	4620.72	1846.73	1507.89
Provision for Deferred Tax Liability for the year	110.76	97.30	-	-	-
Current Assets	6663.48	6037.27	5227.21	2040.87	1473.39
Current Liabilities	3658.54	3182.86	3018.01	1476.44	982.43
Inventories	1742.37	1258.21	1126.65	470.51	437.67
Sundry Debtors	3408.22	3335.15	3054.75	1383.22	903.34
Creditors	3339.01	3154.69	2802.95	1234.71	736.69
Secured Loans	645.15	815.41	955.81	121.92	212.24
Interest Paid	89.10	180.42	125.84	40.17	68.67
Depreciation	326.97	308.01	243.96	109.25	99.95
Income Tax paid	465.54	289.46	296.67	132.87	113.69
Dividend paid	% 25	17	17	17	17
Book Value of Shares	# Rs. 61.77	54.45	54.15	48.07	41.08
E.P.S.	Rs. 10.13	8.05	9.19	8.93	7.30
No. of Shareholders	**11041	**11338	11455	11599	12489

** Approximate

@ Figures subsequent to year 2000/01 are after amalgamation.



PRECISION WIRES INDIA LIMITED

BOARD OF DIRECTORS :

Mr. Mahendra R. Mehta	– Chairman and Managing Director
Mr. Milan M. Mehta	– Vice Chairman and Managing Director
Mr. Deepak M. Mehta	– Whole-time Director
Mr. P. N. Vencatesan*	
Mr. Vijay M. Krishna*	
Mr. A. P. Kothari*	
Mr. P. R. Merchant*	

* Independent, Non-Executive Directors.

COMPANY SECRETARY : Mr. Sanjaya Kunder

BANKERS : Bank of Baroda, Palej 392 220, Dist. Bharuch

AUDITORS : S R Divatia & Co., Chartered Accountants, Mumbai

REGISTERED OFFICE :

Saiman House, J.A. Raul Street,
Off Sayani Road, Prabhadevi,
Mumbai - 400 025.

ADMINISTRATIVE OFFICE AND WORKS :

UNIT I:

Amlī Hanuman (66KVA) Road,
Silvassa - 396 230.
(Union Territory of Dadra and Nagar Haveli)

PALEJ UNIT: ATLAS WIRES

No. 3, G.I.D.C.,
N.H. No. 8, Palej 392 220
Dist. Bharuch (Gujarat)

UNIT II: ATLAS WIRES

Amlī Hanuman (66 KVA) Road,
Silvassa 396 230.
(Union Territory of Dadra & Nagar Haveli)

REGISTRAR AND TRANSFER AGENTS:

Sharepro Services
Satam Estate, 3rd Floor, Above Bank of Baroda,
Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099.

The Company's Equity Shares are listed on the following Stock Exchanges:

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street,
Fort, Mumbai 400 023.

National Stock Exchange of India Ltd.,
Exchange Plaza, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.

The Ahmedabad Stock Exchange,
Kamdhenū Complex, Opp. Sahajanand
College, Panjarapole, Ahmedabad - 380 015.

The Delhi Stock Exchange Association Ltd.,
DSE House, 3/1 Asaf Ali Road,
New Delhi - 110 002.



PRECISION WIRES INDIA LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Precision Wires India Limited will be held at the Hall of The Mysore Association, 1st Floor, 393, Bhaudaji Road, Maheshwari Udyan (King Circle), Matunga (Central Railway), Mumbai-400 019 on Monday the 22nd September, 2003 at 3.00 P.M to transact the following business:

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 2003 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2) To declare dividend on Equity Shares.
- 3) To appoint a Director in place of Shri Vijay M. Crishna who retires by rotation and is eligible for reappointment.
- 4) To appoint a Director in place of Shri Deepak M. Mehta who retires by rotation and is eligible for reappointment.
- 5) To appoint S R Divatia & Co., Chartered Accountants, as the auditors of the company and fix their remuneration.
- 6) To consider and, if thought fit, to pass with or without modifications the following Resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of the Companies Act 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and pursuant to clause 5.2 and all other applicable provisions of the Securities and Exchange Board Of India (Delisting of Securities) Guidelines 2003 (hereinafter referred to as "The Delisting Guidelines") (including re-enactment or modifications of the Delisting Guidelines for the time being in force) and subject to Securities Contracts (Regulations) Act, 1956 and the Rules framed thereunder, Listing Agreements and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions, consents and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "The Board" which term shall be deemed to include any committee constituted or to be constituted by the Board), the consent of the company be and is hereby accorded to the Board to delist the equity shares of the company from both or any of the Stock Exchanges at Ahmedabad and/or New Delhi (hereinafter referred to as "the Delisting Stock Exchange") on such terms and conditions and in such manner as may be considered desirable and expedient by the Board in its absolute discretion.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things, including filing of applications and other documents with the Delisting Stock Exchange, as it may in its absolute discretion deem necessary, expedient, usual or proper or desirable and to settle all questions, difficulties or doubts whatsoever that may arise in regard to the aforesaid voluntary delisting of the Equity shares, as it may in its absolute discretion deem fit without being required to seek any further approval of the Members or otherwise to the end and intent that

the Members shall be deemed to have given their approval expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers which may be so delegated by law, to any of its Committee or Officer of the Company, to give effect to the aforesaid Resolution."

- 7) To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in supersession of the Resolution passed at the Extraordinary General Meeting of the Members held on 23rd March, 1996, consent of the Company be and is hereby accorded, pursuant to Section 293 (1)(d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board Of Directors may, in its discretion, think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the sums already borrowed may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however, the sums so borrowed and, remaining outstanding on account of principal shall not, at any time, exceed Rs.100 Crores (Rupees One Hundred Crores only).

- 8) To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, of the Companies Act, 1956 read with and in accordance with the conditions specified in Schedule XIII to the Companies Act 1956 as amended to date and in supersession of the resolution at item no. 8, passed by the members at their Annual General Meeting held on 28th September, 2002 and in supersession of the resolution at item no.7, passed by the members at their Annual General Meeting held on 26th September, 2001 and in supersession of the resolution at item no. 1 passed by the members of the erstwhile Atlas Wires Limited at their Extra Ordinary General Meeting held on 30th August, 1999 and subject to such sanctions and approvals as may be necessary in law, the Company hereby approves of the re-appointment of Shri Mahendra R. Mehta, as Chairman and Managing Director of the Company, for a period of five years with effect from 1st October, 2003 to 30th September 2008 on remuneration and the terms and conditions (including the remuneration to be paid to him in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the draft appointment letter, a copy whereof initialed by the Chairman for the purpose of identification has been placed before the Meeting, which draft appointment letter is hereby specifically approved and sanctioned with the liberty to the Board of



NOTICE TO MEMBERS

Directors (which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter, vary and modify the terms and conditions of the said appointment and/or remuneration including commission, perquisites and other allowances and/or the letter of appointment in such manner as may be agreed to between the Board of Directors and Shri Mahendra R. Mehta within and in accordance with and subject to the limits and conditions prescribed in the Schedule XIII to the Companies Act, 1956 or any statutory amendments and modifications thereto, and if necessary as may be stipulated by the Central Government and as may be agreed to accordingly between Board of Directors and Shri Mahendra R. Mehta.

RESOLVED FURTHER THAT subject to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, the remuneration payable to Shri Mahendra R. Mehta as Chairman and Managing Director by way of salary, perquisites, commission and other allowances shall not exceed five percent of the net profits of the company computed under Section 198 of the Companies Act, 1956 and if the company has more than one managerial personnel, ten percent of such net profits for all such managerial personnel of the Company together in that financial year.

RESOLVED FURTHER THAT notwithstanding anything stated hereinabove where in any financial year of the company during the currency of tenure of Shri Mahendra R. Mehta as Chairman and Managing Director of the company, the Company has no profits or its profits are inadequate, the remuneration, perquisites and other allowances shall be governed by and paid in accordance with the limits and conditions prescribed in Section II of Part II of the Schedule XIII to the Companies Act, 1956, as amended from time to time.

RESOLVED FURTHER THAT in the event of any statutory amendments or modifications or relaxation by the Central

Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary, or increase the remuneration including salary, commission, perquisites, allowances etc within such prescribed limits or ceiling and the aforesaid appointment letter to Shri Mahendra R. Mehta be suitably amended to give effect to such modifications, relaxations or variation without any further reference to the Company.

RESOLVED FURTHER THAT the Resolutions passed at the Annual General Meetings held on 26th September 2001 and on 28th September, 2002 and also the Resolution passed by the erstwhile Atlas Wires Limited at the Extra Ordinary General Meeting held on 30th August, 1999 in respect of appointment and remuneration of Shri. Mahendra R. Mehta as Managing Director of the Company intended to be superseded hereby shall cease to have effect upon this resolution becoming effective.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and may take such steps consider necessary, expedient or desirable in the best interest of the Company, for the purpose of giving effect to this Resolution."

By order of the Board

Sanjaya Kunder
Company Secretary

Registered Office:
Saiman House, J A Raul Street,
Off. Sayani Road, Prabhadevi,
Mumbai - 400 025

Mumbai,
28th June 2003.

Notes :-

- 1) An Explanatory Statements pursuant to Section 173 of the Companies Act, 1956 ('the Act') in respect of business under Item Nos. 6 to 8 and relevant details in respect of Item Nos. 3 and 4 pursuant to Clause 49 of the Listing Agreements are annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 12th September, 2003 to Monday, the 22nd September, 2003 both days inclusive.
- 4) Members are requested to advise, indicating their folio number, the change of their addresses, if any, to Sharepro Services, Satam Estate, 3rd floor, above Bank of Baroda,

Cardinal Gracious Road, Andheri (East), Mumbai-400 099, the Registrar and Share Transfer Agents of the company.

- 5) In accordance with the provisions of Section 205A of the Act, the Company has transferred unclaimed dividend relating to the year ended 31st March, 1995, to the General Revenue account of the Central Government. Members who have valid claims to the unclaimed dividend referred to above may claim the same from the Central Government in the prescribed manner.
- 6) Pursuant to the provision of Section 205A and 205C of the Companies Act, 1956, as amended to date, dividends for any financial year which remain unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not yet encashed the dividend warrant(s) so far for the financial year ended 31st March, 1996 or any subsequent financial years are requested to send their claims to the Company at its Registered Office. It may also be noted that once unclaimed dividend is transferred to the said fund of the Central Government, as above, no claim shall lie in respect thereof.

NOTICE TO MEMBERS

7) Details of the Directors seeking Appointment/reappointment at the ensuing Annual General Meeting. (in pursuance of clause 49 of the listing agreements)

NAME OF THE DIRECTOR	Shri Mahendra R. Mehta	Shri Vijay M. Crishna	Shri Deepak M. Mehta
DATE OF BIRTH & AGE	14.04.1929, AGE: 74 YEARS	08.03.1945, AGE: 59 YEARS	20.09.1956, AGE : 46 YEARS
DATE OF APPOINTMENT	Since Incorporation	Appointed as Additional Director on 11.9.91 and as Director on 25.9.92 at the Annual General Meeting.	Since Incorporation
EXPERTISE IN SPECIFIC FUNCTION	Over 49 years' of rich experience in the Industry.	Expertise in Engineering and I.T. Industry and extensive managerial experience.	Over 22 years' of rich experience in the Industry.
QUALIFICATIONS	—	B.A (Economics)	B Com.
LIST OF COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD AS ON 31 ST MARCH 2003	Galvawire Agencies Pvt. Ltd.	(a) Statomat Special Machines (India) Pvt Ltd. (b) Lawkim Pvt. Ltd. (c) Godrej & Boyce Mfg. Co.Ltd. (d) Godrej Industries Ltd. (e) Godrej Foods Ltd. (f) Godrej Agrovet Ltd. (g) Naoroji Godrej Centre for Plant Research (h) Godrej Photo-Me Ltd. (i) Lawkim Upstream Contact Management Pvt. Ltd. (j) Godrej Appliances Ltd. (resigned as director w.e.f. 31.03.2003)	Galvawire Agencies Pvt. Ltd
CHAIRMAN AND MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31 ST MARCH 2003	Nil	Member of Shareholders and Management Committee of Godrej Industries Ltd.	Member of Share Transfer & Shareholders Grievance Committee of the Company

ANNEXURE TO NOTICE

Explanatory statement under Section 173 of the Companies Act, 1956.

Item 6

The Securities and Exchange Board of India (SEBI) has issued new Guidelines u/s 11(1) of SEBI Act, 1992 read with Sub Section (2) of Section 11A of SEBI Act, 1992 on Delisting of Securities vide SEBI (Delisting of Securities) Guidelines, 2003 which inter alia provides that the Company may voluntarily delist its shares from Stock Exchange. Under Clause 5.2 of the said Guidelines, it further provides that an exit opportunity need not be given in cases where Company's Securities continue to be listed on a Stock Exchange having nation wide trading terminals namely the Stock Exchange, Mumbai, the National Stock Exchange and any other Stock Exchange, which may be specified by the SEBI.

Presently, the Company's Equity Shares are listed at the following Stock Exchanges in India:

- 1) The Stock Exchange, Mumbai (BSE) (the Regional Stock Exchange)
- 2) The National Stock Exchange of India Limited, (NSE) Mumbai.
- 3) The Stock Exchange, Ahmedabad.
- 4) The Delhi Stock Exchange Association Limited.

The bulk of the trading in the Company's Equity Shares takes place only on the BSE and the NSE. According to the information available with the Company, there has been no trading in the Company's shares on the Ahmedabad Stock Exchanges from April 98 onwards to till 31st March 2003 and on the Delhi Stock Exchange from the date of listing till 31st March 2003.

It is also observed that the listing fee paid to these two Stock Exchanges is disproportionately higher and practically there is no trading on Ahmedabad and Delhi Stock Exchanges.



NOTICE TO MEMBERS

The Company's equity shares are one of the scripts which the Securities and Exchange Board of India (SEBI) has specified for settlement only in dematerialised form by all investors, since 26th December, 2000.

As a part of the cost reduction measure, the resolution will enable the company to de-list its equity share from Ahmedabad and Delhi Stock Exchanges.

The Company had already obtained the Shareholders approval for delisting the Equity Shares from both or any of Stock Exchanges at Ahmedabad and/or New Delhi at the Twelfth Annual General Meeting of the Members held on 26th September, 2001.

However, in view of the new Guidelines issued by the SEBI on Delisting of Securities vide SEBI (Delisting of Securities) Guidelines, 2003 a fresh approval, if any, required from members' is being sought by a Special Resolution as required under the said Guidelines for enabling voluntary delisting of its securities from the aforesaid Stock Exchanges.

The Company will make a separate announcement of Delisting of Securities as may be required by the respective Stock Exchanges. The proposed delisting of the Company's securities from The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited, as and when the same takes place, will not adversely affect the investors as the Company's securities will continued to be listed on BSE (which is the Regional Stock Exchange of the Company) and NSE.

The proposed delisting is in the interest of the Company and your Directors recommend the Special Resolution for approval of members. None of the Directors of the Company is concerned or interested in the Resolution.

Item 7

Under Section 293(1) (d) of the Companies Act, 1956, the Board of Directors cannot, except with the approval of the Members in General Meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose.

In accordance with the resolution passed by the members of the company in Extraordinary General Meeting held on 23rd March 1996, the amount outstanding consequent to the borrowings by the Board of Directors on behalf of the company cannot exceed Rs 50 Crores (Rupees Fifty Crores) at any time.

In order to meet funding requirements from time to time, in view of the growth of the business, it may be necessary for the Company to authorize the Board Of Directors of the Company to borrow upto a sum not exceeding Rs.100 Crores (Rs.One Hundred Crores only) which may exceed the Paid up Capital and Free Reserves of the Company. The proposed Resolution is enabling in nature.

Your Directors recommend the Ordinary Resolution for approval of members.

None of the Directors of the Company is concerned or interested in the Resolution.

Item 8

The resolution at item no. 8 of the Notice seeks approval of

the Members in respect of the reappointment and payment of remuneration to Shri Mahendra R. Mehta, the Managing Director of the Company. The present term of office of Shri Mahendra R. Mehta as Managing Director will expire on 31st August 2004. In the terms of scheme of amalgamation of Atlas Wires Limited with the company sanctioned by the High Courts of Mumbai and Gujarat under section 391 to 394 of the Companies Act, 1956 and pursuant to the provisions of sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956 and in accordance with the Schedule XIII to the Companies Act, 1956 the appointment of Shri Mahendra R. Mehta as Managing Director of the company was approved at the Annual General Meeting of the Company held on 26th September, 2001 for the balance period of his appointment made by erstwhile Atlas Wires Limited as Chairman and Managing Director.

The Remuneration Committee of the Company's Board of Directors reviewed the remuneration package of Shri Mahendra R. Mehta as Chairman and Managing Director with a view to align such package with the best practices prevailing in the Corporate World and came to a conclusion that a substantial revision was called for. After consideration the Remuneration Committee decided to revise the remuneration payable to Shri Mahendra R. Mehta including increasing his salary from Rs. 1,50,000/- (Rs One Lakh Fifty Thousand) per month to Rs. 2,00,000/- (Rs Two Lakhs).

In view of such revision his existing appointment, expiring on 31st August, 2004 be mutually terminated and he be re-appointed for a fresh term of five years from 1st October 2003 on the remuneration, terms and conditions set out in the Draft of the Appointment Letter.

Accordingly, a Letter of Termination will be issued by mutual consent to Shri Mahendra R. Mehta terminating the Terms of Appointment as contained in the Letters of Appointment dated 30th August, 1999 issued by erstwhile Atlas Wires Ltd, and Letter dated 22.06.2002 issued by the Company, without any term of provision as to the compensation in relation to such appointment and such termination shall become effective and operative only after his above mentioned re-appointment as Chairman and Managing Director of the Company, becoming effective and operative for a period of five years from 1st October 2003 in accordance with law.

The Principal terms and conditions as contained in the Draft of the Appointment Letter, proposed to be issued to Shri Mahendra R. Mehta, are as under :

Salary

Rs. 2,00,000/- (Rupees Two Lakh only) per month.

Period

For 5 years w.e.f.01.10.2003

Commission

In addition to salary, perquisites and other allowances, commission at 1% based on the net profits of the company, computed in the manner laid down in Section 309(5) of the Companies Act, 1956, subject to the provisions of Section 198 and Section 309 and other applicable provisions, if any, of the Companies Act, 1956, subject to maximum commission payable being restricted to 50% of the annual salary, or such higher commission as the Board of Directors

NOTICE TO MEMBERS

of the company may determine keeping in view the performance of the company in respect of each financial year. However, such higher commission shall not exceed the total annual salary for the year.

In addition to salary and commission, the following perquisites shall be allowed to Shri Mahendra R. Mehta.

Perquisites

1. **Housing:**
The Chairman and Managing Director shall be entitled to rent free furnished residential accommodation. In case no residential accommodation is provided by the company the Chairman and Managing Director shall be entitled to house rent allowance as may be approved by the Board of Directors.
2. **Medical Re-imbusement**
Reimbursement of medical expenses incurred for Shri Mahendra R. Mehta and family.
3. **Reimbursement of gas, electricity, water charges and furnishings.**
4. **Leave travel concession for Shri Mahendra R. Mehta and family once in a year not exceeding one month's salary for each year. In case leave travel concession is not availed in any year, the same shall be allowed to be accumulated subject to a maximum of three years.**
5. **Fees of clubs subject to a maximum of two clubs.**
6. **Personal accident insurance subject to a maximum premium of Rs 5000/- per annum.**
7. **Provision of car for business as well as for personal purposes with driver.**
8. **Telephone & Internet connection at the residence for business as well as personal use.**
9. **Provision of services of two domestic servants at his residence or reimbursement of expenses incurred on such two servants at his residence.**
10. **Earned / Privilege Leave on full pay and allowances: As per Rules of the Company but not more than one month's leave for every eleven months of service shall be allowed.**

Shri Mahendra R. Mehta, shall also be paid the following perquisites, which shall not be included in the computation of the ceiling on the remuneration in the event the company has no profit or its profits are inadequate in any financial year during the aforesaid period:

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- c) Encashment of leave at the end of the tenure

Explanation : 'Family' means the spouse, the dependent children and dependent parents of the Chairman and Managing Director.

In the event of loss or inadequacy of profits in any financial year of the Company during the currency of tenure of the Chairman and Managing Director, the payment of above Salary and perquisites and other allowances shall be governed by and paid in accordance with the limits and conditions prescribed under Section II of Part II of the Schedule XIII to the Companies Act, 1956 or any amendment thereof.

Other terms

- a) As long as Shri Mahendra R. Mehta is functioning as Chairman and Managing Director of the Company no sitting fees will be paid to him for the meetings of the Board of Directors or any committee thereof attended by him.
- b) The Chairman and Managing Director shall be entitled to re-imbusement of all actual expenses, including entertainment, traveling, Hotel and other expenses incurred by him in India and abroad exclusively on the Company's business.
- c) Either party shall be entitled to terminate this appointment by giving to the other party ninety (90) days' notice in writing without showing any cause.

In compliance with the provisions of Section 269, 309 and other applicable Provisions of the Companies Act 1956 the terms and conditions relating to his appointment and remuneration specified above are placed before the Members in the General Meeting for their approval.

Memorandum of interest

Shri Mahendra R. Mehta, Managing Director is concerned or interested in the resolution at the Item No 8 as also in the appointment letter referred to in the said item, as they relate to the terms of his own reappointment and remuneration.

Shri Milan M Mehta, Managing Director and Shri Deepak M. Mehta, Whole Time Director may be deemed to be concerned or interested in the above as they are the relatives, being, sons of Shri Mahendra R. Mehta.

Save as aforesaid, none of the other Directors is in any way concerned or interested in the Resolution at item No. 8 of the accompanying Notice.

The draft of the Letter of Appointment referred to in the resolution at Item No 8 of the accompanying notice and also the draft of the Letter of Termination as referred to above proposed to be issued to Shri Mahendra R. Mehta and Letter of Appointment dated 30.08.1999 issued by erstwhile Atlas Wires Ltd and Letter dated 22.06.2002 issued by the Company are open for inspection by the members at the Registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company except Saturday.

Your Directors commend the resolution as Special Resolution for your approval.

By order of the Board

Sanjaya Kunder
Company Secretary

Registered Office:
Saiman House, J A Raul Street,
Off. Sayani Road, Prabhadevi,
Mumbai - 400 025
28th June 2003.



D I R E C T O R S ' R E P O R T

TO THE MEMBERS

The Directors hereby present the Fourteenth Annual Report of your Company, together with the audited accounts for the year ended 31st March 2003.

1. Financial Results

	Rupees In Lakhs	
	<u>2002-2003</u>	<u>2001-2002</u>
Sales (including Excise Duty)	19641.10	17141.58
Less : Excise Duty	(2919.89)	(2674.72)
Sales (Net of Excise Duty)	16721.22	14466.86
Operating Profit	2001.09	1663.12
Add: Other Income	51.66	34.03
Profit before Interest, Depreciation & Taxes	2052.75	1697.15
Interest	(89.10)	(180.42)
Depreciation	(326.97)	(308.01)
Profit before Taxes	1636.68	1208.72
Provision for Income Tax	(495.00)	(272.00)
Provision for Wealth Tax	(0.21)	-
Provision for Deferred Tax	(110.76)	(97.30)
Prior Years' Tax Adjustments	29.46	2.54
Profit after Tax	1060.17	841.96
Add: Balance brought forward from last Account	114.38	95.74
Balance available :	1174.55	937.70
Which the Board of Directors have appropriated as under:		
(i) Proposed Dividend on Equity Shares for the year @ 25% (0)	261.59	0.00
(ii) Interim Dividend on Equity Shares for the year @ 0% (17)	0.00	177.89
(iii) Corporate Tax on Dividend	33.51	18.14
(iv) Transfer to General Reserve	675.00	627.29
	970.10	823.32
Balance carried forwarded to Profit & Loss Account	204.45	114.38

2. Dividend

The Directors are pleased to recommend a dividend @ 25% for the year ended 31st March, 2003, subject to approval of the Shareholders at the ensuing Annual General Meeting.

3. Operations

The comparative total production of Enamelled Copper Winding Wires during the year under review is higher by 16% to about 11851 MTs (including Job-Work) as against 10218 MT during 01-02 and consequently, sale's income is more. The demand from Domestic Electrical Equipment Sector which is the Principal consumer of your Company's products,

during the year was good. The interest out-flow is lower and there is a marginal increase in depreciation. The Closing Stocks are higher as Management apprehended delay and/or disruption in the supply of inputs due to VAT related controversy and also slow down in the movement of Finished Goods due to strike announced by the Truckers. However, build-up of inventory of inputs helped your company in averting the closure of the Plants during the early April 03 when Truckers went on indefinite strike.

During the year under review, the tax payment is substantially higher as the period for availing 30% exemption from payment of tax u/s 80 I A of the Income Tax Act for Unit I Silvassa ended last year.

Your Company is pursuing actively the modernization route by deploying Cash-Accruals.

Domestic and International competition further intensified and consequently, there was pressure on margins during the year under review. Export possibilities were therefore, explored continuously.

Our Principal Input is Copper and Import Duty thereon is very high (effective rate 31%) as compared to very low Tariff prevailing in SAARC -Middle East- -Far East & other developing countries. Indo-Sri Lanka - Free -Trade-Agreement permits duty free Import of Enamelled Copper Winding Wires into India, though Import Duty on Copper in Sri Lanka is Nil, if used for producing Wires for Export to India. Therefore, Domestic Industry in India does not have level-playing -field. In the circumstances, either Import Duty on Copper needs substantial reduction, and/or, till such time, Import of Enamelled Copper Wires from SAARC countries should not be permitted. It is likely that such Imports may affect working of your Company.

Despite the above constraints, your Company has registered very satisfactory performance during the year under review.

4. Modernisation

Your Company continues to commit resources for modernisation at Silvassa Units in phases. Modern Plant & Equipment ordered during the year under review has been received, installed, erected and commissioned during April 03. Commercial production has started. Initial teething troubles are being attended to. Recently, an Order has been placed for one more Modern Plant which is likely to be received during March 04.

The Palej Unit has low Productivity and requires modernization. Before deploying capital for the purpose, important issues such as Productivity norms and Manpower rationalization need to be addressed early. Your Company has decided to pursue the various options available in this regard.

5. Listing / Dematerialisation of the Company's Equity Shares

The Equity Shares of your Company continued to be listed at the Stock Exchange, Mumbai, National Stock Exchange, Ahmedabad Stock Exchange and Delhi Stock Exchange. The Company has paid the required annual listing fees.

DIRECTORS' REPORT

The Equity Shares of the Company are compulsorily traded in dematerialized form as prescribed by SEBI. The same are registered with both National Securities Depository Ltd., Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, and Central Depository Services (India) Limited, Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai – 400 023, Under ISIN No. INE372C01011, common for both.

6. Particulars of Employees:

The particulars of employee who was employed throughout the year and was in receipt of remuneration for the year in the aggregate of not less than Rs.24,00,000 and/or not less than Rs.2,00,000/- per month in respect of those who were employed for part of the year required to be furnished under Section 217 (2A) of the Companies Act, 1956, are given in Annexure I hereto and form part of this report.

7. Disclosure of particulars in the Directors' Report:

As required under the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988, the necessary particulars are given in Annexure II hereto and form part of this report.

8. Auditors

The Auditors, M/s S.R.Divatia & Company, Chartered Accountants, Mumbai, who had been Statutory Auditors of the Company hold office until the ensuing Annual General Meeting. It is, proposed to reappoint them to examine and audit the accounts of the Company for the financial year 2003-04. Messers S. R. Divatia & Co, Chartered Accountants have under section 224(1B) of the Companies Act, 1956 furnished certificate of their eligibility for their reappointment.

9. Corporate Governance:

As required by Clause 49 of the Listing Agreements with Stock Exchanges, a Corporate Governance Report, a Management Discussion and Analysis, and the Certificate of the Auditors of the Company regarding compliance of conditions of Corporate Governance are made a part of the Annual Report. Please refer Annexure III to the Directors' Report.

10. Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company based on the representations received from the operating management confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

- ii. that the selected accounting policies were applied consistently and the directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2003 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis.

11. Directors

The Remuneration Committee of the Company's Board of Directors at their Meeting held on 28.06.2003 reviewed the remuneration package of Shri Mahendra R. Mehta as Chairman and Managing Director with a view to align such package with the best practices prevailing in the Corporate World and came to a conclusion that a substantial revision was called for. After consideration the Remuneration Committee recommended to revise the remuneration payable to Shri Mahendra R. Mehta.

Keeping in line with this recommendations it is proposed to terminate by mutual consent the existing appointment of Shri Mahendra R. Mehta, Managing Director and Re appoint him on a fresh term of 5 years w.e.f. 01.10.2003 on revised remuneration. Appropriate Resolution for his re-appointment is proposed in the Notice convening the Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Shri V.M. Crishna and Shri Deepak M. Mehta retire by rotation and are eligible for reappointment.

12. Acknowledgements

The Directors wish to place on record their deep appreciation of the continued assistance and co-operation from Bank of Baroda, the Administration of Union Territory of Dadra and Nagar Haveli, Palej Gram Panchayat and all the Staff and employees of the Company.

For and on behalf of the Board,

Mahendra R Mehta,
Chairman and Managing Director

Mumbai

Dated 28th June, 2003.